



Auditor of Public Accounts  
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**Edelen Releases Audit of Former Magoffin County Sheriff's Tax Settlement**

**FRANKFORT, Ky.** – State Auditor Adam Edelen today released the audit of the sheriff's settlement - 2010 taxes for former Magoffin County Sheriff Randall Jordan. State law requires the auditor to annually audit the accounts of each county sheriff. In compliance with this law, the auditor issues two sheriff's reports each year: one reporting on the audit of the sheriff's tax account and the other reporting on the audit of the fee account used to operate the office.

The audit found that the former sheriff's financial statement fairly presents the taxes charged, credited and paid, for the period April 16, 2010 through January 5, 2011, in conformity with the modified cash basis of accounting.

As part of the audit process, the auditor must comment on non-compliance with laws, regulations, contracts and grants. The auditor must also comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains the following comment:

- **The former sheriff's office lacked adequate segregation of duties.** The former sheriff's office lacked adequate segregation of duties for receipts and disbursements. The bookkeeper collected and deposited all tax receipts, recorded all tax transactions, prepared the monthly tax reports, prepared all checks for tax payments, and reconciled the bank account. Good internal controls dictate the same employee should not be handling receipts and disbursements, recording in the ledgers, and preparing monthly reports. The former sheriff should have offset the lack of adequate segregation of duties by implementing compensating controls such as periodically comparing the daily deposit to the daily checkout and the receipts ledger, reconciling any differences. In addition, comparisons of the monthly reports to the receipts and disbursements ledgers for accuracy would have helped offset the lack of

adequate segregation of duties. Initialing and dating the bank deposit, daily checkout sheet, receipts and disbursements ledgers, and reports would have documented this review.

*Former sheriff's response: None*

The sheriff's responsibilities include collecting property taxes, providing law enforcement and performing services for the county fiscal court and courts of justice. The sheriff's office is funded through statutory commissions and fees collected in conjunction with these duties.

This report, in its entirety, can be accessed at the following Internet site: [here](#).

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